

April 17, 2009

Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the April 17, 2009 meeting were distributed to Commission members, intervenors and other interested parties March 20, 2009 and sent to the Secretary of State's Office for posting on March 23, 2009.

Commission Present: Colon Durrell, Richard Cook, John Joseph, Mark Hedrich, *ex-officio* and Chairman Michael Wiers

Commission Absent: None

Department Officials: None

Staff Present: Tim Drake, Executive Director, and Carol Gauthier, Office Associate

Legal Counsel: Not present

Intervenors Present: John Blake, H.P. Hood, Inc., Thomas Brigham, Oakhurst Dairy, Dale Cole, President of the Maine Dairy Industry Association (MDIA) and Shelley Doak, Maine Grocers Association

Others Present: Fred Hardy from MDIA; Chuck Farrand, dairy farmer, Dr. George Criner and Amy Cook from the University of Maine and Ruby Hardy public attendee.

Chair Mike Wiers called the meeting to order at 1:35 pm.

Agenda Item 1: Minutes: Colon Durrell made a motion to accept the minutes of the March 20, 2009 meeting. Richard Cook seconded. Motion passed 3-0.

Agenda Item 2: Amy Mills, Assistant Attorney General: No report.

Agenda Item 3: Minimum Prices:

Tim Drake reported that there is a prevailing premium of \$1.10/cwt on Class I for May 2009 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for May is \$14.22. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.52/cwt. He stated that this price schedule was for information purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked if there were any comments or new information from the intervenors. Colon Durrell made a motion that schedule #05-09 be adopted as prepared, Richard Cook seconded this motion, and the motion passed 3-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for April 2009 which included prices for Augusta, Bangor/Brewer, Palmyra, Auburn and Brunswick.

Agenda Item 5: Next Scheduled Meetings:

- May 22, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- June 19, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- July 17, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- August 21, 2009, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

Agenda Item 6: Other:

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary. Tim Drake informed the commission members that the database used by staff needs to be replaced soon as it will not accept any changes or additions to programs. Commission members instructed Mr. Drake to pursue having a new database constructed.

Cost of Production Study: Dr. Criner and Amy Cook gave an update to the Maine Dairy Cost Study. Dr. Criner suggested that using the production data compiled by MMC staff could help reconcile cow numbers vs. production in the study. John Blake asked what percent of the total production were the seven extra large farms in the study. Tim Drake replied that it was approximately 20%. Tom Brigham suggested that the commission could recommend moving to a four tier system to the Legislature for the Dairy Relief Program as that is what the data suggests. Dr. Criner stated that break points could be set in a three tier system using the current study data. Chairman Wiers stated that he believed that the commission's mandate was to determine a Cost of Production for milk in Maine not to determine tier levels.

Tim Drake informed the commission and those present that a public hearing has been scheduled for May 22, 2009 for the Cost of Production Study. Testimony will be heard and the public comment period will remain open for written testimony until June 1, 2009.

2. **Milk Promotions:** None
3. **Dealer Cost and Accounting System:** Tim Drake reported that Dr. Criner would work on this after he finishes with the cost of production study, perhaps in June.

Agenda Item 7: Executive Session: The Commission did not go into Executive Session.

Adjourned: Adjourned at 2:35 pm April 17

Tim Drake, Maine Milk Commission